

**UNITED STATES PATENT AND TRADEMARK OFFICE**  
**Trademark Trial and Appeal Board**  
P.O. Box 1451  
Alexandria, VA 22313-1451

Baxley

Mailed: March 5, 2014

Opposition No. **91201540**

D'Amico Holding Company

v.

Masayoshi Takayama

Concurrent Use No. **94002596**

Masayoshi Takayama

v.

D'Amico Holding Company

Before Quinn, Taylor and Gorowitz,  
Administrative Trademark Judges.

By the Board:

The parties herein were involved in Opposition No. 91175440, styled *Takayama v. D'Amico Holding Co.*, wherein Masayoshi Takayama ("Takayama") opposed registration of D'Amico Holding Company's ("D'Amico") application Serial No. 78654116 for the mark MASA in standard character form for "[r]estaurant and bar services" in International Class 43 on the ground of likelihood of confusion with his previously used mark MASA for restaurant and bar services. D'Amico also filed application Serial No. 77054435 for mark MASA and



design in the following form, , for "[r]estaurant and bar services" in International Class 43. That application was not the subject of any Board *inter partes* proceeding.

The parties, on May 4, 2009, entered into a confidential coexistence and settlement agreement in Opposition No. 91175440, which requires the parties to not use their respective marks in specific geographic territories, but otherwise allows the parties to use their marks in overlapping territories.<sup>1</sup> In view of such agreement, the Board, in an April 20, 2010 order, dismissed Opposition No. 91175440 with prejudice. Notwithstanding the parties' agreed upon geographic restrictions, D'Amico's applications, Serial Nos. 77054435 and 78654116 subsequently matured into geographically unrestricted Registration Nos. 3380250 and 3855043, respectively. Thus, D'Amico's registrations do not reflect the parties earlier agreement.

On January 14, 2008, during the pendency of Opposition No. 91175440, Takayama filed the involved geographically unrestricted application Serial No. 76685731 for the mark MASA in standard character form for "Japanese and sushi

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<sup>1</sup> Although the parties have treated the entire settlement agreement as "confidential" in briefing the motions decided in this order, a copy of that agreement has been in the public record by way of its appearance in the USPTO file for applicant's application Serial No. 76685731 since Takayama filed a copy of it as an exhibit to his June 29, 2011 response to an Office Action during *ex parte* examination of that application. A review of that agreement indicates that it includes minimal, if any, information which is genuinely confidential. Accordingly, while we have tried to minimize disclosing specific provisions of the agreement, we have cited to portions of that agreement where necessary.

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restaurant and bar services" in International Class 43.<sup>2</sup>

D'Amico commenced the above-captioned opposition proceeding by filing a notice of opposition to registration of Takayama's mark. As grounds for opposition, D'Amico alleged breach of contract, based at least in part on Takayama's allegedly improper submission of the settlement agreement in the earlier opposition as an exhibit to a response to an Office action during *ex parte* examination, and fraud, based on Takayama's allegedly false statement that the parties had reached a "consent agreement" that rendered the refusal of registration moot with regard to D'Amico's registrations. Takayama, in his answer, denied the salient allegations of the notice of opposition.

The Board, in its November 8, 2011 discovery conference report, struck the breach of contract claim and noted that Takayama's reference to the agreement in Opposition No. 91175440 "as a 'consent agreement' would appear to be immaterial to the approval of [Takayama's] application for publication inasmuch as any determination to withdraw the Section 2(d) refusal based on that agreement was presumably based upon a review of the actual agreement, and not merely on [Takayama's] description thereof." However, the Board declined to strike the fraud claim.

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<sup>2</sup> Application Serial No. 76685731 was filed based on use in commerce under Trademark Act Section 1(a), 15 U.S.C. Section 1051(a). Therein, applicant alleges January 2004 as the date of first use anywhere and date of first use in commerce. The settlement agreement in Opposition No. 91175440 is silent with regard to this application.

Following a lengthy suspension of proceedings herein pending the Director's decisions on (1) a petition that D'Amico filed in connection with this proceeding and the ex parte examination of Takayama's involved application, and (2) a request for reconsideration of the Director's denial of that petition, D'Amico, on July 15, 2013, filed a motion for leave to file an amended notice of opposition wherein it adds a claim under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d), based on likelihood of confusion with its registered MASA marks. The Board granted that motion in a September 30, 2013 order. Takayama, in his answer to the amended notice of opposition, denied the salient allegations of the amended notice of opposition and alleges as an affirmative defense that D'Amico is estopped from alleging likelihood of confusion between the marks at issue.

This case now comes up for consideration of the following motions: (1) Takayama's motion (filed December 13, 2013) to amend involved application Serial No. 76685731 to one for a concurrent use registration and to convert the above-captioned opposition proceeding to a concurrent use proceeding; and (2) Takayama's motion (filed January 17, 2014) to strike D'Amico's brief in response to Takayama's motion to amend and convert, which was incorporated into its reply brief. The motion to amend and convert has been fully briefed, and D'Amico filed a brief in response to the motion to strike.

We will first consider Takayama's motion to strike D'Amico's brief in response. Takayama filed his motion to amend and served a copy of that motion by e-mail on December 13, 2013. Accordingly, D'Amico's brief in response to that motion was due by December 28, 2013. See Trademark Rule 2.127(a). See also *McDonald's Corp. v. Cambridge Overseas Development Inc.*, 106 USPQ2d 1339 (TTAB 2013) (the five extra days to act following service by mail under Trademark Rule 2.119(c) are not available when service is made by e-mail). Because December 28, 2013 was a Saturday, D'Amico could timely file its brief in response as late as Monday, December 30, 2013. See Trademark Rule 2.196. D'Amico filed its brief in response to the motion to amend and convert one day late, on December 31, 2013.

Takayama asks that the Board strike the brief in response as untimely. In response, D'Amico contends that it filed the brief in response one day late because it inadvertently relied on Rule 2.119(c) in setting the due date therefor.

For the Board to consider the brief in response, opposer must establish that its failure to act in a timely manner was caused by excusable neglect. In *Pioneer Investment Services Co. v. Brunswick Associates L.P.*, 507 U.S. 380 (1993), as discussed by the Board in *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997), the Supreme Court clarified the meaning and scope of "excusable

neglect," as used in the Federal Rules of Civil Procedure and elsewhere. The Court held that the determination of whether a party's neglect is excusable is:

at bottom an equitable one, taking account of all relevant circumstances surrounding the party's omission. These include. . . [1] the danger of prejudice to the [nonmovant], [2] the length of the delay and its potential impact on judicial proceedings, [3] the reason for the delay, including whether it was within the reasonable control of the movant, and [4] whether the movant acted in good faith.

*Pioneer Investment Services Co. v. Brunswick Associates L.P.*, 507 U.S. at 395. In subsequent applications of this test, several courts have stated that the third *Pioneer* factor, namely the reason for the delay and whether it was within the reasonable control of the movant, might be considered the most important factor in a particular case. See *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d at 1586, fn.7 and cases cited therein.

Turning initially to the third *Pioneer* factor, opposer admits that it filed the brief in response late because it erred in setting the due date therefor. This factor weighs against a finding of excusable neglect. However, docketing errors do not automatically preclude a finding of excusable neglect. See *id.* at 1587 fn. 8.

Regarding the first *Pioneer* factor, there is no evidence of prejudice to applicant; regarding the second *Pioneer* factor, the delay was negligible in that the brief in response was filed one day late during the week between

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Christmas and New Year's Day, when many law offices are closed or working with reduced staffing; and regarding the fourth *Pioneer* factor, opposer acted in good faith by admitting its error. These factors all weigh in favor of a finding of excusable neglect. Based on the foregoing, the Board finds, on balance, that D'Amico has shown that its failure to respond was the result of excusable neglect. Accordingly, the Board will consider its brief in response to the motion to amend and convert.

Turning to the motion to amend and convert, Takayama seeks to amend his involved application to add a geographic restriction of that application to "the area comprising the United States with the exceptions of the state of Minnesota, the area within fifty miles of Minneapolis, Minnesota, and the state of Florida," in accordance with the parties' settlement agreement in Opposition No. 91175440. Should the Board accept the proposed amendment, Takayama agrees to consent to entry of judgment against him with respect to his application for a geographically unrestricted registration.

In opposition to the proposed amendment, D'Amico contends that Takayama is barred from seeking a concurrent use registration by claim preclusion based on the dismissal with prejudice of Opposition No. 91175440. D'Amico further contends that the parties' settlement agreement precludes Takayama from objecting to D'Amico's geographically unrestricted registrations.

In reply, Takayama contends that the doctrine of *res judicata* is inapplicable herein and that he is not contractually estopped from seeking to register his mark because the registrability of his MASA mark was not at issue in the earlier proceeding.

In certain situations, oppositions may be terminated in favor of concurrent use proceedings with concurrent use proceedings, in turn, being instituted immediately. See TBMP Section 1113.01 (3d ed. rev.2 2013). When an opposition is filed against an application for an unrestricted registration, the applicant may file a motion to amend its application to one for concurrent registration, reciting opposer as an exception to applicant's claim of exclusive use, together with a motion to terminate the opposition in favor of a concurrent use proceeding. See *id.* If opposer does not consent to the amendment, but applicant consents to entry of judgment against itself with respect to its right to an unrestricted registration, judgment will be entered against applicant, in the opposition, with respect to applicant's right to an unrestricted registration; the amendment will be approved; and a concurrent use proceeding involving the amended application will be instituted, all in one Board action. See *Terrific Promotions Inc. v. Vanlex Inc.*, 36 USPQ2d 1349, 1350 (TTAB 1995) (opposer objected to amendment; judgment entered; concurrent use proceeding instituted); *id.*

Under the doctrine of *res judicata*, or claim preclusion, a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action. Accordingly, a second suit will be barred by *res judicata* if: (1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first. See *Jet Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 55 USPQ2d 1854, 1856 (Fed. Cir. 2000). We find that the doctrine of *res judicata* does not bar Takayama from seeking to amend his application to one for a concurrent use registration because this proceeding is based on different transactional facts. In particular, the earlier proceeding concerned the registrability of D'Amico's pleaded MASA marks, while this proceeding concerns the registrability of Takayama's MASA mark, which was not discussed in the parties' settlement agreement in Opposition No. 91175440.

Further, though not argued by D'Amico, amendment of the application to one for a concurrent use registration is not barred by collateral estoppel, or issue preclusion, because the issue of Takayama's right to register his mark was not actually litigated in the earlier opposition proceeding. See *Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 76 USPQ2d 1310, 1313 (Fed. Cir. 2005).

Under the circumstances, we find that it is appropriate to allow Takayama to amend his application to one seeking a concurrent use registration.<sup>3</sup> The involved application meets the criteria for a concurrent use application in that the date of first use set forth therein, January 2004, precedes the application filing dates of the applications for both of D'Amico's registrations, Nos. 3380250 and 3855043. Moreover, in the settlement agreement in Opposition No. 91175440, the parties stipulate that Takayama has used his involved mark since at least 2004, prior to the filing dates of the applications for both of D'Amico's registrations and the first use dates set forth in both of those registrations.

Accordingly, the motion to amend the involved application to one for a concurrent use registration is granted. We hereby enter judgment in the opposition proceeding with respect to Takayama's right to a

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<sup>3</sup> The issue of whether or not the settlement agreement precludes Takayama from seeking a concurrent use registration has to do with Takayama's entitlement to the registration he seeks rather than whether or not he should be allowed to amend his application to one for a concurrent use registration. As such, that issue is a matter for resolution on the merits at final hearing or by motion for summary judgment. See *Flatley v. Trump*, 11 USPQ2d 1284, 1286 (TTAB 1989). We note, however, that the agreement states that "Takayama shall not object to [D'Amico's applications and] shall withdraw its Notice of Opposition to [application Serial No. 78654116] with prejudice" and is silent with regard to any possible geographic restriction of any registration(s) arising from those applications.

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geographically unrestricted application and institute the above-captioned concurrent use proceeding.<sup>4</sup>

In view of the similarity of D'Amico's registered MASA marks and Takayama's involved MASA mark as used on legally overlapping services, we find that D'Amico's registrations must be added to the concurrent use proceeding and therefore may be geographically restricted, notwithstanding the earlier dismissal with prejudice of Opposition No. 91175440. See TBMP Section 1104. Takayama's involved application shall include the following statement:

Subject to Concurrent Use Proceeding with Registration Nos. 3855043 and 3380250, owned by D'Amico Holding Company, applicant claims the exclusive right to use the mark in the area comprising the United States with the exceptions of the state of Minnesota, the area within fifty miles of Minneapolis, Minnesota, and the state of Florida.

See TMEP Section 1207.04(e)(i) (October 2013).

Proceedings herein are resumed. Takayama is allowed until ten days from the mailing date set forth in this order to serve copies of its application, specimens and drawing on D'Amico and to file proof of such service with the Board.

See Trademark Rule 2.99(d)(1).

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<sup>4</sup> As the concurrent use applicant, Takayama is the plaintiff in the concurrent use proceeding and, as such, has the burden of establishing his entitlement to the registration he seeks. See Trademark Rule 2.99(e); TBMP Section 1108. That is, Takayama must prove that there will be no likelihood of confusion by reason of the concurrent use by the parties of their respective marks, and that the parties have become entitled to use their marks as a result of their concurrent lawful use in commerce prior to June 20, 2005, the filing date of the application for opposer's Registration No. 3855043, the earliest application filing date of the involved applications and registrations herein. See Trademark Act Section 2(d).

An answer to the notice is not required of D'Amico because its registrations are involved in the concurrent use proceeding. However, D'Amico is allowed until forty days from the mailing date set forth in this order to file an answer if it so desires.<sup>5</sup> See Trademark Rule 2.99(d)(2).

Because the parties have already held their discovery conference in the above-captioned opposition proceeding, they need not convene another one for the newly instituted concurrent use proceeding. Likewise, because the parties have already served initial disclosures in the above-captioned opposition proceeding, the Board presumes that those initial disclosures are also applicable to the newly instituted concurrent use proceeding. However, the parties are reminded of their ongoing duty to promptly correct or supplement those initial disclosures as necessary. See Fed. R. Civ. P 26(e).

The parties are allowed until thirty days from the mailing date set forth in this order to serve response to

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<sup>5</sup> The amended notice of opposition is not an operative pleading in the concurrent use proceeding. Therefore, D'Amico, in its capacity as a named exception to Takayama's exclusive right to use the involved MASA mark, must reassert its fraud allegation by way of an affirmative defense if it intends to pursue that allegation in the concurrent use proceeding. However, we again note the statement from the November 8, 2011 discovery conference report that Takayama's reference in a response to an examining attorney's Office Action during *ex parte* examination of his application to the agreement in Opposition No. 91175440 "as a 'consent agreement' would appear to be immaterial to the approval of [Takayama's] application for publication inasmuch as any determination to withdraw the Section 2(d) refusal based on that agreement was presumably based upon a review of the actual agreement, and not merely on [Takayama's] description thereof."

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any written discovery requests that were served in the opposition proceeding prior to December 13, 2013, the filing date of Takayama's motion to amend and convert. Dates in the newly instituted concurrent use proceeding are reset as follows.

Expert Disclosures Due	5/8/2014
Discovery Closes	6/7/2014
Plaintiff's Pretrial Disclosures Due	7/22/2014
Plaintiff's 30-day Trial Period Ends	9/5/2014
Defendant's Pretrial Disclosures Due	9/20/2014
Defendant's 30-day Trial Period Ends	11/4/2014
Plaintiff's Rebuttal Disclosures Due	11/19/2014
Plaintiff's 15-day Rebuttal Period Ends	12/19/2014

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

If either of the parties or their attorneys should have a change of address, the Board should be so informed promptly.